

# UK social housing organizations: change, restructuring and

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## Introduction

The origins of Social Housing in the UK can be traced to the *Housing of the Working Classes* Act of 1890, which was aimed at the most vulnerable citizens (Clapham et al, 2000). The ways in which this provision is provided and distributed has changed radically in the last 20 years, with the move away from the majority of provision being supplied by governmental local authorities in the form of council housing towards private sector provision by ‘Registered Social Landlords’ (RSL’s). Recently, many commentators and researchers have focused upon ‘what will happen next?’ to SH provision (see, for example, Pawson and Mullins, 2010; Fitzpatrick and Stephens, 2008). The debate is located predominantly at a macro level (Hills, 2007), resulting in a paucity of micro/empirical research concerning such issues as ‘who will manage these changes?’; the process of change; the implications for HRM/D practices and specialists; how the changes have been received by employees (Ward and Preece, 2010a, b). Given the space constraint, we draw below upon our empirical material to address two particular matters: what we have called ‘managership development’, and local union leadership and employee voice in these new regimes. Before doing so, however, it is necessary to provide a brief overview of the main challenges currently facing SH providers in the UK (see Czischke, 2009, regarding other European countries, where some similar challenges are occurring).

## Changes and challenges – beyond council housing

The SH changes have been of an ‘anticipatory’ and ‘strategic’ nature (Nadler and Tushman, 1989), where corporate and human resource strategies have been aimed at creating a new/different type of organization, and have occurred at three different but interrelated levels: sectoral, organizational and tenant/customer.

## Sectoral

In England approximately 30% of households live in some type of rented accommodation (*The Times*, 2007). The sector today consists of a variety of private individual and company landlords, and social housing organizations of four types: (i) a (reducing) number of houses owned and managed by local councils; (ii) council- owned, but 'Arms Length Managed Organizations (ALMO) housing stock (which came into existence in 2002); (iii) traditional housing associations; (iv) Large Scale Voluntary Transfer (from local authority ownership) Housing Association landlords. These SH providers have a range of different governance and funding arrangements. However, they have two key features which differentiate them from the rest of the rented sector: (a) rents are set by non-market criteria, which normally results in below market levels, and (b) allocations of people to houses are made by administrative criteria (Fitzpatrick and Stephens, 2008: 28).

New funding and governance arrangements have been developed for (ii) and (iv) above. Overall, there has been a move away from a 'landlord' to a stronger social, economic and community orientation, focused upon such matters as the employability of tenants (or 'clients'/ 'customers'). Alongside this has been a tendency for SH organizations to change their modes of management and operation from the 'local authority bureaucratic' towards those found more usually in private businesses, resulting in comments such as 'we are losing sight of what mattered about social housing' (Sprigings, 2002:16).

## Organizational

Given that the new SH providers can be privately funded, a core objective is to repay the loans taken out from financial institutions. Senior managers are endeavouring to change them from a bureaucratic to a performance- related mode of employee management (Cuthbert and Ward, 2010), and are introducing different roles to that of the traditional Housing Manager (Grainger et al, 2003). The sector has also experienced organizational restructuring and downsizing, moves towards a stronger service orientation, technological change, etc. The above has, inter alia, resulted in the emergence of the *Places for People* SH provider, the largest in the UK with 60,000 properties, offering 'much more than just building homes...' ([www.placesforpeople.co.uk](http://www.placesforpeople.co.uk)) with its claim to provide job and training opportunities for clients, along with 'affordable childcare' and business support and financial products. This represents a significant shift away from the traditional 'landlord' function of maintaining properties, collecting rents and dealing with housing/welfare benefits issues.

## Tenants

A recent development here has been the introduction of ‘tenant choice’, whereby tenants (or, in the preferred terminology of many contemporary providers, ‘clients’/ ‘customers’) become non-executive board members (for a discussion of the changing governance and role of management boards in SH organizations see Ward and Hutchinson, 2010). Flint has observed that from the 1980’s ‘we have witnessed a reconfiguration of the identities of social housing tenants from passive welfare recipients to autonomous, empowered and responsible individuals’ (2004: 895). Tenants are thus being (re)configured by SH organizations beyond their traditional tenancy obligations.

The above changes at the sectoral, organizational and tenant levels have lead to a situation where, as Bradley (2008: 883) has recently observed, SH organizations have had to become ‘market-sensitive’ (see also Pawson and Smith, 2009), as well as more customer focused. These changing contexts have implications for the (changing) role of managers, which needs to be understood in order to design appropriate forms of leadership/management development (Boxall and Gilbert, 2007).

## **Developing managers for the new regime**

A number of commentators have argued that an organization’s main strategic differentiator comes from its development of ‘talented’ staff (Porter, 1995; Boxall, 2003). This implies effective leadership and management development (Day, 2000; Iles and Preece, 2006). We now draw upon our research in a SH organization, formed as a result of a LSVT in 2002. The company has around 550 employees. One area of focus has been the nature of, and participant reflections upon, management development provision within the organization. During 2009-2010, 26 staff participated in a management development programme run by an external provider and accredited by the Institute of Leadership and Management (ILM). What were these employees’ views about the changing nature of their roles and the developments they anticipated for the future?

It’s the first time that I have realised while working for the company that they are empowering us...Working conditions have got better, we have left behind the ‘oldy worldly council’, people’s images have changed...public perception has changed.

(Interviewee F)

There was a lot of changes to staffing and quite a few redundancies too... There was too many people and we were perhaps a bit top-heavy. We lost about 50 people from the department. (Interviewee A)

We are contracting more work out than ever before...everything is a lot more open and there is not the fear factor. More development and training to encompass new knowledge...(Interviewee C)

I feel one of our biggest changes in the future for the organization is expansion. We are looking at moving into new sorts of fields...Secure some work going forward so we are more commercially oriented for our workforce...Our tradesmen will become multi-skilled. (Interviewee A).

The above interviewees, when talking about the programme and its ‘outcomes’, together with ourselves reflecting upon those comments and the content of the programme, found it difficult on occasion, if not impossible, to separate the *management* from the *leadership* development *per se*, and hence we have referred to what was occurring as *managership* development (Ward and Preece, 2010), involving a concern with both the day-to-day conduct of work (commercial orientation; using IT, etc), whilst at the same time looking towards the future and exploring possibilities for new/different ways of working and managing in changing times (‘entrepreneurial’ and marketing orientation, etc), including not least consideration of how colleagues and direct reports might be encouraged to ‘embrace the future’ and support managerial initiatives. How has this impacted upon local union leadership and employee voice in the organization?

### **Union leadership and employee voice in the new regime**

Managerial and executive leadership has attracted a good deal of interest in policy and academic domains in recent years (Ferlie et al, 2003; Van Wart, 2003). Union leadership, however, has been little explored, at both the national and local levels. Given the changes and developments in SH outlined earlier, we were interested in whether, and if so in what ways, the role of the local union leader had changed, and the sort of support they were receiving from their organizations in carrying out their role. The main source of data was semi-structured interviews with a range of staff, including the local union leaders, HRM and other

managers, and Directors from two SH organisations based in the north east of England. When questioned about the impact of the changes on the union leadership role, the union leaders and HR managers commented:

The 'them and us' scenario has melted, and not as aggressive as it used to be...it's a cultural change completely. (Organization A, Union Rep 1)

We are here to work together as opposed to work against each other...the union-management relationship changed when [there were] changes to management. (Organization A, Union Rep 2)

It is just a partnership approach, and I think staff see it as that...it does work and there's more of an emphasis over recent years on the HR department... (Organization B, HR Manager 1).

Because of the culture of the organization, everyone feels they have a voice...we used to be a family culture...[we are] now more professional.(Organization B, HR Manager 2).

Our interviews showed no overall reduction in the support and facilities made available by management (however, there were some important changes in the location used for union members' meetings). An 'open door policy' was claimed by the managers interviewed:

[Staff] can use all facilities within the organization, all rooms...just have to ask. We have a lot of staff who dip in and out of focus groups and other areas. (Organization B, HR Manager).

Management's focus was upon developing a collaborative partnership with union officials and members, with regular communication and monthly meetings, all aimed primarily at creating and maintaining a 'positive', pro-organization orientation amongst employees.

## **To conclude**

HRM/D specialists have developed and are likely to continue to develop policies and procedures and the associated skills and competencies required to deal with the sort of changes and challenges outlined. The development of the organization's human and social capital seems likely to continue to be high on management's agenda into the future in the

competitive and relatively ‘alien’ market place in which these SH organizations find themselves. It will be interesting to see if in the future Talent Management comes to be embraced as an appropriate strategy (Iles et al, 2010).

It seems reasonable to assume that merger and takeover activity will continue, and may intensify; organizational downsizing and the resultant redundancies can be anticipated. This will not sit easily with any management emphasis upon staff collaboration, ‘employee voice’, and a ‘one-team’ approach to employee relations. It seems likely that SH organizations will continue to need to address HRM/D and employee relations matters, and hence look to the expertise which specialists in these areas provide. This is in relation to managing employees in both the ‘here and now’ and through organizational changes and restructurings. It can be anticipated that these ‘social businesses’ (Collier, 2005) will face intensified challenges as ‘private sector’ exigencies gather momentum.

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